

SENATE BILL 3595

By Watson

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 5, relative to delinquent property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 25, is amended by adding the following as a new section:

**67-5-2516.**

(a) Whenever the state, a county, a municipality, or any subdivision thereof, acquires property at a tax sale, any non-governmental entity holding a vested and duly recorded contractual right to payment of fees or assessments secured by such property shall retain such right; provided that during the term of such governmental ownership, not to exceed twenty-four (24) months from the date of entry of the order confirming such tax sale, the state, county, municipality, or subdivision thereof shall not be liable for the payment of any such fees or assessments, and the non-governmental entity may only enforce such contractual rights to payment through exercise of its lien rights against the property.

(b) No restrictive covenants of record, other than use, shall apply to the state, county, municipality, or subdivision thereof during its term of ownership; provided that the provisions of § 67-5-2507(a)(2) shall apply.

(c) The state, county, municipality, or subdivision thereof, may, at any time during its ownership of the property, surrender the property to the non-governmental entity claiming duly recorded contractual lien rights in full satisfaction of any such fees or assessments.

SECTION 2. This act does not affect rights or duties that matured, liabilities or penalties that were incurred, or proceedings begun before its effective date.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions of the act which can be upheld without the invalid provision, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.